

[REDACTED]

CERTIFIED MAIL

[REDACTED]

MAR 10 1986

Dear Sir/Madam:

We have considered your application for recognition of exemption from Federal income tax as an organization described in Section 501(c)(4) of the Internal Revenue Code and have determined that you do not qualify for exemption under that Section. Our reasons for this conclusion and the facts on which it is based are explained below.

The information presented indicates you were organized [REDACTED] to serve as an organized spokesman for the tenant body; to cooperate with management in maintaining livability and proper physical standards; to promote a better understanding of all members, and not engage in discriminatory practices; to honor and review complaints and grievances of residents and to make proposals on how they can be dealt with more efficiently with the authority for solution; to achieve a better community, build good citizenship habits and promote the general welfare of the total community and to welcome new tenants and help them to become involved in project activities.

Your membership is composed of all residents of [REDACTED].

Your income is derived from raffles, Bingo, Bake sales and interest income.

Your expenses are for secretarial supplies, sunshine cards, postage, newsletter, refreshments and funeral flowers.

Section 501(c)(4) of the Code provides for the exemption from Federal income tax of civic leagues or organizations not organized for profit but organized exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Regulations provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community.

3/3/86

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Code	[REDACTED]	[REDACTED]	[REDACTED]				
Surname	[REDACTED]	[REDACTED]	[REDACTED]				
Date	03/05/86	3/10/86	3/10/86				

[REDACTED]

Revenue Ruling 69-280, 1969-1 published in Cumulative Bulletin on page 152, describes an organization formed to provide maintenance of exterior walls and roofs of homes of members who own homes in a development. The organization was denied tax exemption under Code Section 501(c)(4) because it is operated primarily for the private benefit of its members.

Any benefit the community may receive would not be sufficient to qualify an organization as one operated primarily for the common good and general welfare of the community as a whole as required by Code Section 501(c)(4).

In Revenue Ruling 73-306, published in Cumulative Bulletin 1973-2 on page 185, it was held that a non-profit corporation formed to promote the common interest of tenants who resided in an apartment complex by representing its member-tenants in negotiations with the management of the complex was held to be not exempt under Section 501(c)(4). This ruling was based on the conclusion that the organization was operated essentially for the private benefit of its members and was not primarily engaged in activities for the common good and general welfare of the people of the community.

Based on the material submitted, we conclude that you are primarily organized and operated to provide services for the personal benefit of your member-tenants and not primarily for promoting in some way the common good and general welfare of the people of the community. Therefore, you do not qualify for exemption from Federal income tax as an organization described in Section 501(c)(4) or any other related Section of the Code.

You are not relieved of the requirement to file Federal income tax returns.

If you do not accept our findings, we recommend that you request a conference with a member of our Regional Office of Appeals. Your request for a conference should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a conference. The conference may be held at the Regional Office or, if you request, at any mutually convenient District office. If we do not hear from you within 30 days of the date of this letter, this determination will become final.

Sincerely yours,

[REDACTED]
[REDACTED]

District Director

Enclosure: Publication 892